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To amend the Tariff Act of 1930 to require that certain revenues attributable to tariffs levied on imports of textile machinery and parts thereof be applied to support research for the modernization of the American textile machinery industry.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1993

Mr. BALLENGER (for himself, Mr. BEVILL, Mr. COBLE, Mr. DARDEN, Mr. DUNCAN, Mr. EMERSON, Mr. GINGRICH, Mr. HANCOCK, Mr. HEFNER, Mr. INHOFE, Mr. LANCASTER, Mr. McMILLAN, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. NEAL of North Carolina, Mr. NEAL of Massachusetts, Mr. PARKER, Mr. QUILLEN, Mr. RAVENEL, Mr. ROSE, Mr. SOLOMON, Mr. SPENCE, Mr. SPRATT, Mr. TAYLOR of North Carolina, Mr. TRAFICANT, Mr. VALENTINE, and Mr. PAYNE of Virginia) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Tariff Act of 1930 to require that certain revenues attributable to tariffs levied on imports of textile machinery and parts thereof be applied to support research for the modernization of the American textile machinery industry.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CONGRESSIONAL FINDINGS.**

4 The Congress finds that—

1 (1) since the late 18th century, the United
2 States textile machinery industry has played an im-
3 portant role in the development of the world textile
4 industry;

5 (2) the United States textile machinery indus-
6 try currently consists of approximately 500 compa-
7 nies, primarily small businesses, producing machin-
8 ery, parts and accessories used in the production of
9 textile mill products for apparel, defense, furniture
10 and industrial application;

11 (3) the textile machinery industry is overwhelm-
12 ingly comprised of firms with 50 or fewer employees;

13 (4) the textile machinery industry is one of 92
14 industries in the United States considered essential
15 to our defense needs;

16 (5) during the last decade, the textile machin-
17 ery industry has been among those industries most
18 weakened due to a dramatic rise in imports and for-
19 eign trade barriers which thwart United States ex-
20 ports;

21 (6) further erosion of the textile machinery in-
22 dustry will expose the United States textile and ap-
23 parel complex to offshore pricing, delivery and serv-
24 ice resulting in less competition and limited choice;

1 (7) shipments of textile machinery, parts and
2 accessories were approximately 26 percent lower in
3 1988 than in 1980, while imports rose by an as-
4 tounding 100 percent during this same period;

5 (8) such erosion of the textile machinery indus-
6 try will result in loss of tariff revenue to the Treas-
7 ury of the United States;

8 (9) the textile industry is among the largest five
9 employers in the country;

10 (10) there are many economic benefits of the
11 textile machinery industry, including tariffs on im-
12 ports, corporate and employee taxes, preservation of
13 jobs and small businesses, industrial growth, manu-
14 facturing skills, maintenance of basic industries, in-
15 creased exports, and a lower trade deficit;

16 (11) over the last two decades, employment in
17 the textile machinery industry has shrunk from
18 28,500 individuals to 17,800;

19 (12) recapturing the textile machinery market
20 will be a positive contribution to the balance of
21 trade;

22 (13) trade impacted businesses should have di-
23 rect access to capital from the source of subsidized
24 competition; and

1 (14) government studies recommend that re-
2 search and development programs be developed to
3 help sustain and expand the textile machinery indus-
4 try.

5 **SEC. 2. TEXTILE MACHINERY MODERNIZATION FUND.**

6 Part I of title III of the Tariff Act of 1930 (19 U.S.C.
7 1303–1323) is amended by inserting after section 323 the
8 following new section:

9 **“SEC. 324. TEXTILE MACHINERY MODERNIZATION FUND.**

10 “(a) DEFINITIONS.—For purposes of this section:

11 “(1) The term ‘Fund’ means the Textile Ma-
12 chinery Modernization Fund established under sub-
13 section (b).

14 “(2) The term ‘qualified organization’ means
15 any entity organized under the laws of the United
16 States with principal manufacturing facilities located
17 in the United States that manufactures and markets
18 any of the following for utilization by the textile in-
19 dustry worldwide:

20 “(A) Machinery.

21 “(B) Parts.

22 “(C) Accessories.

23 “(D) Related systems.

24 “(3) The term ‘qualified research project’
25 means a research project, conducted within the

1 United States, for machinery and equipment used
2 predominantly, if not exclusively, by the textile in-
3 dustry, or for major capital expenditure items of the
4 textile industry.

5 “(4) The term ‘Secretary’ means the Secretary
6 of Commerce.

7 “(5) The term ‘textile machinery and parts
8 thereof’ includes all articles provided for in subhead-
9 ings 8420.10.10, 8420.91.10, 8420.99.10,
10 8443.50.10, and 8443.90.10 and in headings 8444
11 through 8449 of the Harmonized Tariff Schedule of
12 the United States and all textile machinery and
13 parts thereof provided for in headings 8450 through
14 8452 of such Schedule.

15 “(b) ESTABLISHMENT OF FUND.—There is estab-
16 lished in the Treasury of the United States the Textile
17 Machinery Modernization Fund. The Fund consists of
18 such amounts as may be appropriated to it.

19 “(c) PURPOSES OF FUND.—Monies in the Fund shall
20 be available, as provided for in advance in appropriation
21 Acts, for—

22 “(1) grants made in accordance with subsection
23 (d) to qualified organizations to assist such organi-
24 zations to carry out qualified research projects; and

1 “(2) the administration of this section, and the
2 carrying out of textile machine industry-wide re-
3 search and promotion, by the Secretary.

4 “(d) GRANTS.—

5 “(1) IN GENERAL.—Subject to paragraphs (3)
6 and (4) and to such terms and conditions (including
7 those necessary to protect the interests of the United
8 States) as the Secretary shall by regulation pre-
9 scribe, the Secretary may make one or more grants
10 to any qualified organization for the purpose of re-
11 imbursing that organization for costs incurred by it
12 in carrying out one or more qualified research
13 projects.

14 “(2) STATEMENTS OF INTENT.—The Secretary
15 may in advance of any qualified organization com-
16 mencing a qualified research project, provide to such
17 organization a statement indicating the Secretary’s
18 intent to make one or more grants to such organiza-
19 tion for the purpose of funding one or more qualified
20 research projects.

21 “(3) CONSULTATION AND DETERMINATIONS RE-
22 GARDING APPLICATIONS.—The Secretary must—

23 “(A) make grants under this section in
24 consultation with appropriate representatives

1 from the textile and textile machinery industries
2 and the public; and

3 “(B) make a determination whether or not
4 to award any grant under this section within 12
5 months after the grant is applied for.

6 “(4) LIMITATIONS.—(A) No grant made under
7 this section with respect to a qualified research
8 project may exceed 60 percent of the cost of the
9 project.

10 “(B) The aggregate amount of the grant or
11 grants made to a qualified organization under this
12 section during any fiscal year is limited to expendi-
13 tures above that organization’s base line average of
14 annual expenditures during the 3 previous fiscal
15 years for qualifying textile machinery research, de-
16 velopment, and product engineering, as defined in
17 section 174 of the Internal Revenue Code of 1986.
18 Grants awarded under this section shall be excluded
19 from baseline calculations.

20 “(C) If the total amount of monies available in
21 the Fund for the payment of grants for a fiscal year
22 is less than the total amount of the grants approved
23 for disbursement under this section for that fiscal
24 year, the amount of the grants paid during such
25 year shall be equitably prorated.

1 “(e) APPROPRIATIONS TO FUND.—

2 “(1) IN GENERAL.—There is appropriated to
3 the Fund for each fiscal year after fiscal year 1993,
4 from the revenues attributable to the customs duties
5 imposed on textile machinery and parts thereof im-
6 ported into the United States during the preceding
7 fiscal year, the greater of—

8 “(A) an amount equal to 10 percent of
9 such revenues; or

10 “(B) \$10,000,000;
11 of which not to exceed \$500,000 shall be available
12 for the purposes specified in subsection (c)(2).

13 “(2) LIMITATION.—The aggregate amount of
14 monies in the Fund during any fiscal year may not
15 exceed \$10,000,000.”.

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